## THE MESSAGE.

## Annual Communication of the President to Congress.

Gratifying Condition of Our Foreign Relations.

The Executive Recommends a Reduction of Taxation.

He Also Has a Word to Say in Regard to River and Harbor Bills.

TO THE SENATE AND HOUSE OF REPRESENTA-TIVES OF THE UNITED STATES: It is provided by the constitution that the President shall from time to time give to the Congress information of the state of the Union. and recommend to their consideration such measures as he shall judge necessary and expe-

In reviewing the events of the year which has

elapsed since the commencement of your ses-sions, I first call your attention to the gratifying

Our intercourse with other powers has continued to be of the most friendly character. Such slight differences as have arisen during the year have been already settled, or are likely to reach

have been already settled, or are likely to reach an early adjustment.

OREAT BRITAIN.

The arrest of citizens of the United States in Ireland under recent laws, which owe their crigin to the disturbed condition of the country, has led to somewhat-extended corresponde ce with the Government of Great Britain. A disposition to respect our rights has been practically manifested by the release of arrested parties.

The claim of this nation in regard to the super-The claim of this nation in regard to the super-vision and control of any interoceanic causal across the American isthmus has continued to be the subject of conference. It is likely that time will be more powerful than discussion in removing the divergence between the two na-tions, whose friendship is so closely comented by the intime y of their relations and the com-munity of their interests.

Our long-established friendliness with Russia has remained unbroken. It has prompted me to proffer the earnest counsels of this Government that measures be adopted for suppressing the proscription which the Hebrewrace in that country has lately suffered. It has not transmired try has lately suffere!. It has not transpired that any American citizen has been subjected to ar est or injury, but our courteous remonstrance has, nevertheless, been courteously received. There is reason to believe the time is not far distant when Russia will be able to secure toleration to all faiths within her borders.

ation to all faiths within her borders.

INTERNATIONAL CONFERENCES.

At an International Convention, held as Paris in 1880, and attended by representatives of the United States, an agreement was reached in respect to the protection of trade-marks, patented articles and the rights of manufacturing firms and corporations. The formulation into treaties of the recommendations thus adopted is receiving the attention which it merits.

The protection of submarine cables is a sub-The protection of submarine cables is a subject now under consideration by an international conterence at Paris. Believing that it is clearly the true policy of this Government to favor the neutarlization of this means of intercourse, I requested our Minister to France to attend the convention as a delegate. I also disignated two convention as a delegate. I also designated two
of our emlinent scientists to attend as representatives at the meeting of an International Committee at Paris for considering the adoption of a
common upit to measure electric force.

In view of the frequent occurrence of confer-

ences for the considera ion of important mat-ters of common interest to civilized nations, I respectfully suggest that the Executive be invested by Congress with discretionary power to send delegates to such conventions, and that provision be made to defray the expenses inci-

The difference between the United States and Spain as to the effect of a judgment and certifi-cate of naturalization, has not yet been adjusted, but it is hoped and believed that the negotiabut it is hoped and believed that the negotia-tions now in progrees will result in the establish-ment of the position which seems to this Gov-ernment so reasonable and just. I have already called the attention of Congress to the fact that in the exports of Spain and its colonies onerous fines have lately been imposed upon vessels of the United States for trivial techni-cal offenses against local regulations. Efforts for the abatement of these exactions have thus far proved unsuccessful. I regret to in-form you also that the fees demanded by Spanish Consuls in American ports are in Spanish Consuls in American ports are some cases so large, when compared with the value of the cargo, as to amount in effect to a considerable export duty, and that our remonstrances in this regard have not as yet received the attention which they seem to deserve.

GERMANY. The German Government has invited the Unite | States to participate in an international exhibition of domestic cattle, to be held at Hamburg in July, 1883. If this country is to be represented, it is important that in the early days of this session Congress should make a suitable appropriation for that purpose.

The death of Mr. Marsh, our late Minister to The death of Mr. Marsh, our late Minister to Italy, has evoked from that Government expressions of profound respect for his exatted character and for his honorable career in the diplomatic service of his country. The Italian Government has raised a question as to the propriety of recognizing in his dual capacity the representative of this country, recently accredited, both as Secretary of Legation and as Coasul General at Rome. He has been received as Secretary, but his exequatur as Consul General has thus far been withheld.

BELIGIUM.

thus far been withheld.

BELGIUM.

The extradition convention with Belgium, which has been in operation since 1874, has been lately supplanted by another. The Senate has signified its approval, and ratifications have been duly exchanged between the contracting countries. To the list of extraditable crimes has been added that of the assassination, or attempted assassination, of the chief of state. SWITZERLAND.

Negotiations have been opened with Switzer-land looking to a settlement by treaty of the question whether its citizens can renounce their allegiance and become citizens of the United States without obtaining the consent of the Swiss Government. I am happy to inform you that the immigration of paupers and criminals from certain of the cantons of Switzerland has substantially ceased, and is no longer sanctioned by the authorities.

The consideration of this subject prompts the suggestion that the act of August 3, 1882, which has for its object the return of foreign convicts to their own country, should be so modified as not to be open to the interpretation that it affects the extradition of criminals on preferred charges of crime

JURISDICTIONAL RIGHTS IN FOREIGN COUNTRIES The Ottoman Porte has not yet assented to the interpretation which this Government has the interpretation which this Government has put upon the treaty of 1830 relative to its jurisdictional rights in Turkey. It may well be believed, however, that the difference will be adjusted by a general revision of the system of jurisdiction of the United States in the countries of the East, a subject to which your attention has been already called by the Secretary of State.

CHILI AND JAPAN.

In the interest of justice toward Chili and Japan, I trust that the questions of the return of the indemnity fund to the Governments of those countries will reach at the present session the satisfactory solution which I have already recommended, and which has recently been forshadowed by Congressional discussion. The treaty lately concluded with Corea awaits the action of the Senate.

During the late discurbance in Egypt, the timely presence of Auerican vessels served as a protection to the persons and property of many of our own citizens and of citizens of other countries, whose Governments have expressed their thanks for this assistance. their thanks for this assistance.

CHINESE IMMIGRATION.

The recent legislation restricting immigration of laborers from China has given rise to the question whether Chinese proceeding to er from sancther country may lawfully pass through our own. In construing the act of May 6, 1881, in connection with the treaty of Nov. 7, 1880, the restriction would seem to be limited to Chinese limitariants coming to the United States as laborers and should not forbid a page transit. · CRINESE IMMIGRATION. borors, and should not forbid a mere transit across our territ ry. I ask the attention of Con-gress to the subject for such action, if any, as it

may doem advisable.
This Governm at has recently had occasion to manifest its interest in the

republic and the British possession of Sierra

The reciprocity treaty with The reciprocity treaty with

HAWAH

will become terminable after Sept. 9, 1883, on two
months' notice by either party. While certain
provisions of that compact may have proved
onerous, its existence has fostered commercial relations which it is important to preserve. I
suggest, therefore, that an early consideration
be given to such modifications of the treaty as
seem to be demanded by the interest of our
people.

In view of our increasing trade with both
HATH AND SAN DOMINGO.
I advise that provision be made for diplomatic
intercourse with the latter, by enlarging the
scope of the mission at Port au Prince. I regret
that certain claims of American citizens as
against the Government of Hayti have thus far
been urged unavailingly.

A recent agreement with
MEXICO

mexico
provides for the crossing of the frontier by the
armed forces of either country, in pursuit of
hostile Indians. In my message of last year I
called attention to the prevalent lawlessness
upon the borders, and to the necessity of legislation for its suppression. I again invite the
attention of Congress to the subject. A partial
relief from these mischiefs has been sought in a
convention, which now awaits the approval of
the Senate, as does also another touching the establishment of the international boundary between the United States and Mexico. If the
latter is ratified, the action of Congress will be MEXICO

tween the United States and Mexico. If the latter is ratified, the action of Congress will be required for establishing suitable commissions of survey. The boundary dispute between Mexico and Guatemala, which led the Government to proffer its friendly counsel to both parties, has been amicably settled.

No change has are tred in our relations with YE EZUE'A.

I again invoke your action in the matter of the pending awards against that republic, to which reference was made by a special message from the Executive at your last ression. An invitation has been received from the Government of Venezuela to send representatives, in July, 1881, to Caraccas, for participating in the centennial celebration of the birth of Bolivar, the founder of South American independence. In connection with this event, it is designed to commence the erection, at Caraccas, of a statue of Washington, and conduct an Industrial Exhibition, which will be open to American products. I rewhich will be open to American products. I re-quest that the United States be represented, and that suitable provision be made therefor. The elevation of the grade of our mission in

CENTRAL AMERICA to the Plenipotentiary rank, which was author

ized by Congress at its last session has been since effected. The war between Peru and Bolivia on the one side, and Chili on the other, Bolivia on the one side, and Chili on the other, becan more than three years ago, on the occupation by Chili, in 1881, of all the littoral territory of Bolivia. Negotiations for peace were conducted under directions of the United States. The allies refused to concede any territory, but Chili has sin e become master of the whole coast of both countries, and of the capital of Peru. A year since, as you have already been anyised by correspondence transmitted to you in January last, this Government seat a special mission to the belligarent powers to express the hope that Chili would be disposed to accept a money indenity for the expenses of the war, and to relinquish her demand for a portion of the territory of her antagonist. This resommendation, which Chili declined to follow, this Government did not assume to enforce, nor can it be enforced without resort to measures which would orced without resort to measures which would be in keeping neither with the temper of our people, nor with the spirit of our institutions. The power of Peru no longer extends over its whole territory, and, in the event of our inter-terence to dictate, peace would need to be supplemented by the armies and navies of the United States. Such interference would almost inevitably lead to the establishment of a protectorate, a result utterly at odds with our past policy, injurious to our present interests, and full of embarrassment for the future. For effecting the termination of hostilities upon the towns at once—just to the victorious nation and generous to its adversaries—this Government has spared no efforts save such as might involve the complications which I have indicated. It is to be greatly deplored that Chili seems to be reto be greatly deplored that Chili seems to be resolved to exact such rigorous conditions of
vence, and indisposed to submit to arbitration the terms of an amicuble
settlement. No peace is likely to
be lasting that is not sufficiently equitable and
just to command the approval of other natious.
About one year since invitations were extended to the nations of this continent to
seed representatives send representatives to a peace congress, to assemble in Washington in November, 1882. The time of meeting was then fixed at a period then remote, in the hope, as the invitation itself declared, that in the meantime the disturbances between the South American republics would be adjusted. As that expectation seemed unlikely to be realized, I asked in April last for an expression of opinion from the two houses of Congress as to the advisability of holding the proposed convention at the time appointed. This action was prompted in part by doubts, which mature reflection had suggested, whether the diplomatic usage and traditions of the Government did not make it fitting that the Executive should consult the representatives of the people before pursuing a line of policy somewhat novel in its character and far reaching in its possible consequences. In view of the fact that no acconsequences. In view of the fact that no action was taken by Congress in the premises, and that no provision had been made for the necessary expenses, I subsequently decided to postpone the convocation, and so notified the several Governments which had been invited to attend. I am unwilling to discuss this subject without assuring you of my support of any measures the wisdom of Congress may devise for promotion of peace on this continent and throughout the world, and I trust the time is nich when, with the universal consent of civilized peoples, all international differences shall be determined without resort to arms by the benignant processes of arbitration.

DIPLOMATIC CHANGES.

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Changes have occurred in the diplomatic presentation of several foreign powers during the past year. New Ministers from the Argentine Republic, Austria, Hungary, Brazil, Chili, China, France, Japan and Mexico, the Netherlands and Russia have presented their credentials. The missions of Denmark and Venezuela at this capital have been raised in grade. Switzer, and has created a ple-dipotentiary mission to this Government, and an Embassy from Madagascar and a Minister from Siam will shortly atrive. Our diplomatic intercourse has been enlarged by the establishment of relations with the new Kingdom of Servia, by the creation of a mission to Greece. The Shah of Persia has expressed his gratification that a Charge d'Affaires will shortly be sent to that country, where the rights of our citizens have been hitherto courteously guarded by the representatives of Great Britain.

PREVENTION OF COLLISIONS AT SEA. DIPLOMATIC CHANGES.

PREVENTION OF COLLISIONS AT SEA.

I renew my recommendation of such legislation as will place the United States in harmony with other maritime powers, with respect to the international rules for the prevention of colli-

sions at sea.

LONGITUDE AND TIME. In conformity with your joint resolution of the d of August last. I have directed the Secretary of August last. I have directed the Secretary of State to address foreign Governments in respect tom proposed conference for considering the subject of the universal adoption of a common prime meridian to be used in the reckoning of longitude, and in the regulation of time throughout the civilized world. Their replies will, in due time, be laid before you.

An agreement was reached at Paris in 1875 between the principal rowers for the interchange.

An agreement was reached at Paris in 1875 between the principal powers for the interchange of official publications through the medium of their respective foreign departments. The admirable system which has been built up by the enterprise of the Smithsonian Institution affords a practical basis for our co-operation in this scheme, and an arrangement has been effected by which that institution will perform the necessary labor under the direction of the Department of State. A reasonable compensation therefor should be provided by law.

DIPLOMATIC AND CONSULAR SERVICE.

A clause in the act making appropriations for

DIPLOMATIC AND CONSULAR SERVICE.

A clause in the act making appropriations for the diplomatic and consular service contemplates the reorganization of both branches of such service on a salaried basis, leaving fees to inure to the benefit of the treasury. I cordially favor such a project as likely to correct abuses in the present system. The Secretary of State will present to you at an early day a plan for such reorganization.

for such reorganization. A full and interesting exhibit of the operations of the Treasury Department is afforded by the report of the Secretary. It appears that the ordinary revenues from all sources for the present year ended June 30, 1882, were as follows: From customs, \$220,410,730 25; from internal revenue, \$146,497,595.45; from sales of public lands, \$1,753,140.67; from tax on circulation and deposits of national banks, \$8,956,791.45; from repayment of interest by eachle railway companies, \$341,554.37; from sinking fund for Pacific railway companies, \$796,714.4; from one THE TREASURY. companies, \$84,554.57: from sinking fund for P-cific ratiway commanies, \$796.71.42: from onstoms fees, fines, penalt es, etc., \$134,334,800; from fees for C nsular letters patent and lunds, \$1,-538,99.97; from proceeds of sales of Government property, \$314,956.85; from profit on comage, bullion deposits and asseys, \$1,16,633.73; from Indian truet funds, \$5,705,213.21; from deposits by individuals for surveying public lands, \$2,-532.36,36; from revenues of the District of columbia, \$1,715,176.41; from mi-cellaneous sources, \$1,887,445.45; total ordinary receipts, \$4,3,525-259,28.

The ordinary expenditures for the same period may deem advisable.

This Governm at has recently had eccasion to manifest its interest in the second formular of the same period were: For civil expenses, \$ 8,042.366. 2; for formular, \$ 1.0

no.es, \$18,350; total, \$10a,281,503,55.

THE FOREIGN COMMERCE

of the United States during the last fiscal year, including imports and exports of merchandise and specie, was as follows; Exports—Merchandise, \$750,742,372; specie, \$49,417,479; total, \$799,796. Imports—Merchandise, \$724,639,574; specie, \$42,472,390; total, \$767,111,064. The excess of exports ver imports of merchandise, \$25,902,686. This excess as less than it has been belowed in any of the previous six years, as appears by the any of the previous six years, as appears by the following table: Year ended June 30, excess of exports over imports of merchandise, 1876, \$79,-645,481, 1877, \$151,152,094; 1878, \$257,814,294; 1879, \$254,661,666; 1880, \$167,683,912; 1881, \$259,712,718; 1982, \$25,902,683.

During the year there have been organized 171 national banks, and of these institutions there are now in operati n 2,209—a larger number than ever before. The value of their notes in actual circulation on July 1, 1881, was \$324,656.458. I commend to your attention the Secretary's views in respect to the likelihood of a serious contraction of this circulation and to the modes by which that result may, in his judgment, be averted. NA'MONAL BANKS.

that result may, in his judgment, be averted.

COINAG

In respect of the coinage of sliver dollars and the retirement of silver certificates. I have seen nothing to alter, but much to confirm, the sentiments to which I gave expression last year. A comparison between the respective amounts of silver dollars in circula ion on Nov. 1, 1881, and on Nov. 1, 1882, shows a slight increase of 1,500,000, but during the in erval there had been in the whole number coined an increase of \$25,001,000. Of the \$125,00,000 thus far minted, I tile more than \$35,00.00 are in circulation. The mass of accumulated coin has grown so great the time want record at present available for storage is scarcely sufficient to contain it. It is not apparent why it is desirable to continue this coinage now, so enormously in excess of the public demand.

SILVER CERTIFICATES.

public demand.

SILVER CERTIFICATES.

As to the silver certificates, in addition to the grounds which seemed last year to justify their retirement, may be mentioned the effect which is likely to ensue from the supply of gold certificates for which issuance Congress recently made provision, and which are new in active circulation.

REDUCTION OF TAXES. You cannot fail to notice with interest the discussion by the Secretary as to the necessity of providing by lexi-lation some mode of free-ing the treasury of an excess of assets. In the event that Congress farls to reach an early agreement for the reduction of taxation, I heart-ily approve the Secretary's recommendation of immediate and extensive reductions in the annual revenues of the Government. It will be re-membered that I urged upon the attention of membered that I urged upon the a tention of Congress at it last session the importance of relieving the industry and enterprise of the country from the pressure from unnecessary taxation. It is one of the tritest maxims of political economy that all taxes are burdensome, however wisely and prudently imposed and though there have always ben among our people wide differences of sentiment as to the best methods of raising the national revenues, and, indeed, as to the principles upon which taxation should be based, there has been substantial accord in the doctrine that only such taxes ought to be levied as are necessary for a wise and economical idministration of the Government. Of late the public revenues have far exceeded that limit, and unless checked the Government. Of late the public revenues have far exceeded that limit, and unless checked by appropriate legislation, such excess will continue to increase from year to year. For the fiscal year ended June 30, 1881, the surplus revenue amounted to \$100,000,000. For the fiscal year ended on the 30th of June last, the surplus was more than \$145,000,000. The report of the Secretary shows what disposition has been made of these moneys. They have not only answered the requirements of the sinking fund, but have afforded a large balance applicable to other reexpression of my conviction that such rapid ex-tinguishment of the national indebtedness as is now in my place is now in 'ng place is by no means a cause for congraturation. It is a cause rather for serious approbension. If it continues, it must specifily be followed by one of the evil results so clearly set forth in the report of the Secretary. Either the susplus must lie idle in the treasury, or the the surplus must lie idle in the treasury, or the Government will be forced to buy, at market rates, its bonds, not then redeemable, and which, under such circumstances, cannot fail to command an enormous premium, or the swollen revenues will be devoted to extravagant expenditure, which, as experience has taught, is ever the bane of an overflowing treasury it was made apparent in the course of the animated discursion which the question aroused at the last session of Congress, that the policy of diminishing the revenue by reducing taxation commanded the general approval of the memcommanded the general approval of the mem-ber- of both houses. I regret that because of conflicting views as to the best methods by conflicting views as to the best methods by which that policy should be made operative, none of its benefits have as yet been reaped. In fuffillment of what I deem my constitutional duty, but with little hope that I can make a valuable contribution to this vexed question, I shall proceed to intimate briefly my own views are attention to

in re ation to it:

Upon the showing of our financial condition at the close of the last fiscal year I felt justified in recommending to Congress the abolition of internal-revenue taxes except those upon tobacco in ternal-revenue taxes except those upon tobacco in its various forms and upon distilled sprits and fermented liquors, and except, also, the special tax upon the manufacturers and dealers in such articles. I venture now to suggest that unless it shall be ascertained that the probable expenditures of the Government for the coming year have been underestinated, all internal taxes save those which relate to distilled spirits, can be prudently abrocated. Such a course, if accompanie i by simplification of the machinery of collection, which would then be easy of accomplishment, might reasonably be expected to result in diminishing the cost of such accomplishment, might reasonably be expected to result in diminishing the cost of such collection by at least two millions and a half, and in the retirement from office of from 1,500 to 2,000 persons. The system of excise duties has never commended itself to the favor of the American people, and has never been resorted to except for supplying deficiencies in the treasury, when, by reason of special exigencies, the duties on imports have proved inadequate for the needs of the Government.

by reason of special exigencies, the duties on imports have proved inadequate for the needs of the Government.

The sentiment of the country doubtless commands that the present excise tax shall be abolished as soon as such course can safely be pursued. It seems to me, however, for various reasons, so sweeping a measure as the total abolition of internal taxes would, for the present, be an unwise step. Two of these reasons are deserving of special mention.

1. It is by no means clear that, even if the existing system of duties on imports is continued without modification, those duties alone will yield sufficient revenue for all the needs of the Government. It is estimated that \$100,000,000 will be required for pensions during the coming year, and it may well be doubted whether the maximum annual demand for that object has yet been reached. Uncertainty upon this question would alone justify, in my judgment, the retention, for the present, of that portion of the system of internal revenue which is least objectionable to the neople.

2. A total abolition of excise taxes would almost inevitably prove a serious, if not an insurpopulable objection to a therough revision of the present of the propulation of the propulation of the present o

most inevitably prove a serious, if not an insur-mountable objection to a thorough revision of the tariff, and to any considerable reduction in

is, in many respects, unjust. It makes unequal distribution both of its bu dens and its benefits. This fact was precise by recognized by a majority of each house of Congress, in the passage of the set creating the Tariff Commission. The report of that commission will be placed before you at the beginning of this session, and will, I true, afford you such information as to the condition and prespect of the various commercial, acricultural, manufar uring mening and other interests of the country, and consists such suggestions for statutors revision, as will practically aid your section upon this important subject. The revenue from customs for the fiscal year ending June 30, 1879, amounted to \$137,000,000. It has in the three succeeding years reached first \$180,000,000; then \$198,000,000; and finally, as has been already stated, \$20,000 0.0. The income from this source for the fiscal year which will end on June 30, 188, will doubtless be considerably in excess of the sum last mentioned, it is plain, therefore, that large reductions from the customs revenue are entirely feasible. While recommending this reduction I am far from advising the abandonment of the policy of so discriminating in the adjustment of details as to THE PRE O NT TARIFF SYSTEM recommending this reduction I am far from advising the abandonment of the policy of so discriminating in the adjustment of details as to afford aid and protection to domestic labor. But the present system should be so revised as to equa ize the public burden among all classes and occupations, and bring it in o cover harmony wit; the present needs of ndustry. Wi hout entering into minute detail, which, under present dreums ances, is quite unnecessary, I recommend an enlargement of the free list so as to include within is the numerous articles which yield inconsiderable revenue; a sim-

plification of the complex and inconsistent schedule of duties upon certain manuactures, particularly those of cotton, iron and steel, and a substantial reduction of the duties upon those articles and upon sugar, molasses, silk, wool and woolen coads. If a general revision of the tariff shall be found to be impracticable at this session, I express the hope that at least some of the more conspicuous in qualities of the present flaw may be corrected before your final adjournment. One of them is specially referred to by the Scoretary. In view of the recent decision of the Supreme Court, the necessity of amending the law by which the Dutch standard of color is aslopted as the test of the saccharine strength of sugars, is too obvious to require comment.

THE INDIANS.

From the report of the Secretary of War it ap-

From the report of the Secretary of War it appears that the only outbreaks of Indians during the past year occurred in Arizona and in the Southwestern part of New Mexico. They were promptly quelled, and the quiet which has prevailed in all other parts of the country has permitted such an addition to be made to the military force in the region endangered by the Apaches that there is little reason to apprehend trouble in the future.

trouble in the future.

SEACOAST DEFENSES.

Those parts of the Secretry's report which relate to our seacoast defenses and their armament sugg at the gravest reflections. Our existing fortifications are notoriously inadequate to the defense of the great harbors and cities for whose protection they were built. The question of providing an armament suited to our present ecessity has been the subject of consideration by a board whose report was transmitted to Congress at the last session. Pending the consideration of that report the War Department has take a no steps for the manufacture or conversion of any heavy cannon, but the Secretary expresses the hope that authority and tary expresses the hope that authority and means to begin that important work will be soon provided.

THE MILITIA. I invi'e the attention of Congre's to the propriety of making more adequate provisions for arming and equipping the militia than are afforded by the act of 1806, which is still upon the statute books. The matter has already been the subject of discussion in the Senate, and a bill which seeks to supply the deficiencies of existing laws is now upon its calendar.

The Secretary of War calls attention to the fact that an embarrassment is grawing out of the recent got of Congress making the retirement of officers of the a 'my compulsory at the age of 64.

officers of the a my compulsory at the age of 64. The act of 1878 is still in force, which limits to 400 the number of those who can be retired for

400 the number of those who can be retired for disability or upon their own application.

The acts, when construed together, seem to forbid the relieving, even for incapacity, of officers who do not fall within the purview of the latter statute, save at such times as there chance to be less than 400 on the retired list. There are now 420. It is not likely that Congress intended this result, and I concur with the Secretary, that the law ought to be amended.

THE RIVER AND HARBOR BILL. The grounds that impelled me to withhold my signature from the bill entitled, "An act making signsture from the bill entitled, "An act making appropriations for the construction, repair and preservation of certain works on rivers and harbors," which became a law near the close of your last session froce me to express the hope that no similar measure will be deemed necessary during the present session of Congress. Indeed, such a measure would now be open to serious objection, in addition to that which was lately u ged upon your attention. I am informed by the Secretary of War that the greater portion of the sum appropriated for the various items the sum appropriated for the various items specified in that act rem ins unexpended. Of the new works which it authorized, expenses have been incurred upon two only, for which the total appropriation was \$1,000. The pre-ont available balance is disclosed by the following

Amount of appropriation by act of August 2, 1882. \$18,733,875

Amount of appropriation by act of
June 19, 1882. 10,000

Am unt of appropriation for payments
to J. B. Eads. 204,000 Unexpended balance of former appro-

no need of further appropriations until after the close of the present session. If, however, any action should seem to be necessary in respect to particular objects, it will be entirely feasible to tion. It is possible, for example, that a delay until the assembling of the next Congress to make additional provision for the Mississippi river improvements might be attended with serious consequences. If such should appear to be the case, a just bill relating to that subject be the case, a just bill relating to that subject would command my approval. This leads me to offer a surgestion which I trust will commend itself to the wisdom of Congress. Is it not advisable that grants of considerable sums of money for diverse and independent schemes of internal improvement should be made the subjects of separate and distinct legislative enactments? It will scarcely be gainsaid, even by those who favor the most liberal expenditures for such purposes as are sought to be accomplished by what is commonly called the River and Harbor bill, that the practice of grouning in such a bill appropriations for a great diversity of objects widely separated, either in their nature, in the locality with which they are concerned, or in both, is one which is to be deprecated. Unless it is divisible, it inevitably tends to secure the success of

nette, in accordance with an act of Congress of March 3, 1889 sailed from San Francisco June 16, under the command of Lieut Robert M. Berry. On Nev. 30 she was accidentally destroyed by fire while in winter quarters in St. Lawrence bay, but the officers and crew succeeded in escaping to the shore.

Lieut Berry and one of his officers, after making a search for the Jeannette along the coast of Siberia, fell in with Chief Engineer Melville's varty, and returned home by way of Europe. The other officers and the crew of the Rodgers were brought from St. Lawrence bay by the whaling steamer North Star. Master Charles F. Putnam, who had been placed in charge of a depot of supplies at Cape Serdze, returning to his post from St. Lawrence bay across the ice, in a blinding snow-storm, was carried out to sea and lost, notwithstanding all efforts to rescue him. THE NAVAL PORCES.

R appears by the Secretary's report that the available naval force of the United States consists of thirty-seven cruisers, fourteen single-turreted monitors, built during the rebellion, a large number of smooth-bore guns and Parrott rifies, and eighty-seven rified cannon. The cruising vessels should be gradually replaced by from or steel ships, the monitors by modern-armored vessels, and the armament by high-power rified guns. The reconstruction of our navy, which was recommended in my last message, was begun by Congress authorizing, in its recent act, the construction of two large unarmored steel vessels of the character recommended by the late Navy Advisory Board to be organized as provided by that act. I call your attention to the recommendation of the Secretary and the board, that authority be given to construct two more cruisers of smaller dimensions and one ficet dispatch-vessel, and that appropriations be made authority be given to construct two more cruisers of smaller dimensions and one fleet dispatch-vessel, and that appropriations be made for high-power rified cannon for the torpedo service and for other harbor defenses. Pending the consideration by Congress of the policy to be hereafter adopted in conducting the eight large navy yards and their expensive establishments, the Secretary advocates the reduction of expenditures therefor to the lowest possible amounts, and for the purpose of affording the officers and seamen of the navy opportunities of exercise and discipline in their profession under appropriate control and direction, the Secretary advises that the lighthouse service and coast survey be transferred, as now organized, from the Treasury to the Navy Department, and he also suggests, for the reasons which he assigns, that a similar transfer may wisely be made of the cruising revenue vessels.

COMMERCIAL MARINES.

The Secretary forcibly depicts the ultimate connection and inte-dependency of the navy and the commercial marine, and invites attention to the continued decadence of the latter, and the corresponding transfer of our growing commerce to to the latter, and the corresponding transfer of our growing commerce to to the united by the strong that the corresponding transfer of our growing commerce to the united by the strong that the corresponding transfer of our growing commerce to the united by the strong that the corresponding transfer of our growing commerce to the united by the corresponding transfer of our growing commerce to the united by the corresponding transfer of our growing commerce to the united by the control of the united by the corresponding transfer of our growing commerce to the corresponding transfer of our growing control transfer our growing control transfer our gr responding transfer of our growing commerce to foreign bottoms. This subject is one of the utmost importance to the national we fare. Methods of reviving American shipbuilding, and of restoring the United States flag in the occan-carrying trade, should receive the immediate attention of Congress. We have mechanical skill and abundant material for the manufacture of modern iron steamships in fair competition with our commercial rivals. Our disadvantage in building ships is the greater cost of labor and in sailing them, higher taxes and greater interest on capital. While the ocean highways are already monopolized by our formidable competitors, these obstacles should in some way be overcome, and for our rapid communication with foreign lands we should not continue to depend wholly upon vessels built in the vards of other countries and sailing under continue to depend wholly upon vessels built in the vards of other countries and saling under foreign flags. With no United States steamers on the principal ocean lines or to any foreign ports, our facilities for extending our commerce are greatly restricted, while the nations which build and salt the ships and carry the mails and passengers obtain thereby conspicuous ad-vantages for increasing their trade.

THE POSTOFFICE DEPARTMENT. The report of the Postmaster General gives evidence of the satisfactory condition of that evidence of the satisfactory condition of that department, and contains many valuable data, and accompanying suggestions which cannot fall to be of interest. The information which it affores that the receipts for the fiscal year have exceeded the expenditures must be very gratifying to Congress, and to the people of the country. As matters which may fairly claim particular attention. I refer you to his observations in reference to the advisability of changing the present basis for fixing salaries and allowances; of extending the money-order system; of enlarging the functions of the postal establishment, so as to have under its control the telegraph system of the country, though from this graph system of the country, though from this last and most important recommendation I must withhold my concurrence.

At the last session of Congress, several bills were introduced into the House of Representatives for the reduction of letter postage to the rate of 2 cents per half onne. I have given much study and reflection to this subject, and am thoroughly persuaded that such a reduction would be for the best interests of the public. It has been the policy of the Government from its foundation to defray, as far as possible, the expenses of carrying the mails by a direct tax in the form of postage, and it has direct tax in the form of postage, and it has never been claimed, however, that this service ought to be productive of a net revenue. As has been stated already, the report of the Postmas-ter General shows that there is now a very considerable surplus in his department, and that henceforth the receipts are likely to increase at a much greater ratio than the neces-sary expenditures. Unless some change is made in the existing laws, the profits of the postal service will, in a very few years, swell the somethic to be accomplished by which to commonity the of army air such a, thing appropriate such as the such as the proposal of the such as the such a postal service will, in a very few years, swell the revenues of the Government many millions odollars. The time seems auspicious, therefore, for some reduction in the rates of postage. In what shall that reduction consist? A review of the legislation which has been had upon this subject during the last thirty years discloses that domestic letters constitute the only class of mail matter which has never been favored by substantial reductions of rates. I am convinced

illigent and carnest efforts on the part of th

ment for their offenses, it with the bart of the diligent and earnest efforts on the part of the prosecution.

I trust that some agreement may be reached which will speedily enable Congress, with the concurrence of the Executive, to afford the own-mercial community the benefits of a national BANKRUPT LAW.

The report of the Secretary of the Interior, with its accompanying documents, presents a full statement of the varied operations of that department. In respect to THE INDIANS, nothing has occurred which has changed or seriously modified the views to which I devoted much space in a former communication to Congress. I renew the recommunication herein contained as to extending to the Indian the protection of the law allotting land in severalty to such as desire it, and making suitable provision for the education of youths. Such provision as the Secretary forcibly maintains will prove unavailing unless it is broad enough to include all who are able and willing to make use of it, and should not solely relate to intellectual training, but also to instruction in such manual labor and simple industrial arts as can be made practically available.

Among the important subjects which are included within the Secretarys' reports, which will doubtless furnish occasion for Congressional action, may be mentioned the neglect of the railroad companies to which large grants of land were made by the acts of 1852 and 1864 to take title thereto, and their consequent inequitable exemption from local taxation.

EDUCATION.

No survey of our material condition can fail to

take title thereto, and their consequent inequitable exemption from local taxation.

EDUCATION.

No survey of our material condition can fail to suggest inquiries as to the moral and intellectual progress of the people. The census returns discusse an alarming state of illiteracy in certain parts of the country where the provision for schools is grossly inadequate. It is a momentous question for the decision of Congress, whether immediate substantial aid should be extended by the General Government for supplementing the efforts of private beneficence, and of State and Territorial legislation in behalf of education. The regulation of INTER-STATE COMMERCE has already been the subject of your deliberations. One of the incidents of the marvelous extension of the rallway system of the country has been the adoption of such measures by the corporations which own or control the roads as has tended to impairth e advantages of healthful competition, and make hurtful discriminations in the adjustment of freightage. These inequalities have been corrected in several of the States by appropriate legislation, the effect of which is necessarily restricted to the limits of their own territory. So far as such mischiefs affect commerce between the States or between any one of the States and a foreign country, they are subjects of national concern, and Congress alone can afford relief.

The suppression of POLYGAMY.

The results which have thus far attended the

THE SUPPRESSION OF POLYGAMY.

The results which have thus far attended the enforcement of the recent statute for the suppression of polygamy in the Territories are reported by the Secretary of the Interior. It is not probable that any additional legislation in this regard will be deemed desirable until the effect of existing laws shall be more closely observed and studied. I congratulate you that the Commissioners under whose supervision those laws have been put in operation are encouraged to believe that the evil at which they aim may be suppressed without resort to such radical measures as in some quarters have been thought indispensable for success.

The close relation of the General Sovernment to the Territories preparing to be great States

to the Territories preparing to be great States may well engage your special attention. It is there that the Indian disturbances mainly occur, and that polygamy has found room for its growth. I cannot doubt that a careful survey of Territorial legislation would be of the highest utility. Life and property would be of the highest utility. Life and property would become more secure. The liability of ontbreaks between In-dians and whites would be lessened. The public domain would be more securely guarded, and better progress be made in the instruction of the

Alaska is still without any form of civil government. If means were provided for the education of its people, and for the protection of their lives and property, the immense resources of the region would invite permanent settle-ments and open new fields for industry and en-

The report of the Commissioner of Agriculture presents an account of the labors of that department during the past year, and includes information of much interest to the general

PRESERVATION OF FORESTS. The condition of the forests of the country, and the wasteful manner of their destruction and the wasteful manner of their destruction taking place, give cause for serious apprehension. Their action in protecting the earth's surface, in modifying the extremes of climate, and in regulating and sustaining the flow of springs and streams, is not well understood, but their importance in relation to the growth and prosperity of the country cannot be safely disregarded. They are fast disappearing before destructive fires, and the legitimate requirements of our increasing population, and their total extinction cannot long be delayed, unless better methods than now prevail shall be adopted for their protection. The attention of Congress is invited to the necessity of additional legislation to secure the preservation of the valuable forests still remaining on the public domain, especially in the extreme Western States and Territories, where the necessity for their protection is greater than in less mountainous regions, and where the prevailing dryness of the climate renders their restoration if they are once destroyed well nigh impossible.

Appointments to Public Service.